

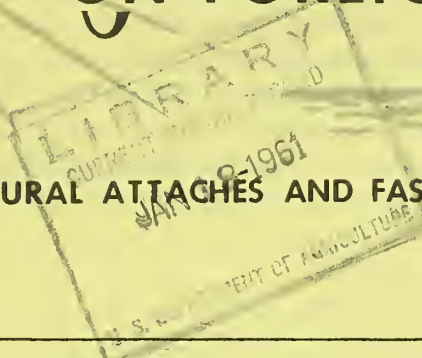
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Spotlight

ON FOREIGN MARKETING

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TO U.S. AGRICULTURAL ATTACHES AND FAS STAFF MEMBERS

Vol. IV, No. 6

THE U.S. EXHIBIT AT THE LONDON FOOD FAIR, which opened on September 1, is making a hit with British visitors. Hundreds of U.S. food products are on display, but the big hit is being made by the sales of honey, prepared mixes and canned chicken. Through advertisements in the London press a coupon entitles fair visitors to a tempting discount. On opening day the day's supply of honey was exhausted in the first few hours.

One London specialty store reported that there is a "surge" in British buying of American cake mixes, buckwheat pancakes, succotash and cookies. Reports the store: "They're different; people like them and keep coming back."

Over in Munich, W. Germany, later this month, another large U.S. exhibit will be opened to the public. The novel selling technique, now so successful in London, will be put to test by German consumers.

HERE IS A PRETTY PICTURE OF ANOTHER EFFORT TO PROMOTE A U.S. PRODUCT-WHEAT.

The two attractive young Dutch girls posing with trays of doughnuts at the Nebato Fair, held near Amsterdam this summer, are catching their breath before handing out samples to hordes of Dutch visitors. Somewhere out of the camera's range Robert Reed, U.S. agricultural attache, and Theodore F. Fiedler, European director for Great Plains Wheat, Inc., are contemplating additional sales of U.S. hard wheat to The Netherlands.



SECRETARY OF AGRICULTURE BENSON spent part of last month making a market development survey trip to the common market countries of Western Europe. Copies of the Secretary's special report to the President on his trip have been sent to agricultural attaches and officers.

The implications of the European Common Market to U.S. agriculture are sufficiently serious that FAS has issued a special circular on the subject. (FATP-22-60, August 26, 1960).

IN ORDER TO TAKE ADVANTAGE OF THE "TREMENDOUS" POTENTIAL DEMAND FOR U.S. POULTRY MEAT IN WESTERN EUROPE, eight specific recommendations were made recently by J. Frank Gordy, well-known Delaware poultryman. As a representative of the Institute of American Poultry Industries, Gordy went to Europe this summer to attend the International Trade Fair in Poznan, Poland, followed by a market survey in Switzerland, Denmark, West Germany and The Netherlands.

Realizing that the European market for U. S. poultry is growing, but at the same time recognizing competition from other producing countries, Gordy made the following recommendations to the U. S. poultry industry for holding and increasing our share of these export sales:

1. Send a more uniform pack.
2. Ship no 'B' and 'C' grades.
3. Packaging methods should meet export trade standards in all instances.
4. Package description (stenciling) should be accurate, clearly understandable, and in the proper weight units and language.
5. Keep the customer fully informed on shipments at all times.
6. Better liaison between our industry at home and private trade representatives abroad.
7. Expand our support of overseas activities of such organizations as the Institute of American Poultry Industries.
8. Continue to expand consumer publicity, trade and merchandising aid programs in European markets similar to that carried on in the domestic market.

IT PAYS TO ADVERTISE. Thailand cigarettes containing U.S. leaf have set new sales records, according to a recent report from Joe Dodson, our agricultural attache in Bangkok. The biggest gain, from a standpoint of percentage and volume increase, was made by "Samit", a brand which was virtually lifted from sales stagnation to a favorable market position through an advertising campaign conducted as part of our market promotion project.

The success of another popular advertised brand, "Gold City," containing nearly 100 percent U.S. leaf, has influenced the Thai Tobacco Monopoly to introduce a king-sized version last March. Sales of these cigarettes during the first four months was 36 million pieces, considered highly satisfactory by the Monopoly.

Sales of "Gold City" regulars remained about the same as last year, which is about the production capacity of the plant. A new multi-million dollar manufacturing plant is now under construction to take care of the growing demand for American-type cigarettes, which are rapidly gaining wider acceptance by Thailand smokers.

THE AMERICAN FARM BUREAU FEDERATION HAS FORMED A TRADE DEVELOPMENT CORPORATION which is expected to greatly increase the Bureau's marketing activity both at home and abroad. The foreign trade office, which has been operating in Rotterdam for the past two years under the direction of former agricultural attache George Dietz, will continue as part of the new organization set-up.

According to Farm Bureau spokesman in Washington, the new corporation plans to carry out a comprehensive organizational and educational program to help make U.S. agricultural producers and processors more aware of the importance of maintaining and expanding U.S. agricultural exports.

EXPANDING THE USE OF ANIMAL FATS IN MIXED FEEDS offers the most promising market development opportunity for increasing U.S. exports of tallow to Europe. In several countries recently visited by Dalton Wilson, FAS Livestock Specialist, technical knowledge of this subject was found to be limited. Wherever animal fats were being added to mixed feeds, a higher quality product was used than in the U.S. "As the use of animal fats in feeds is relatively new in the area," Wilson said, "many feed manufacturers and research institutions are requesting information concerning samples, specifications, and prices of the grades used in the U.S. A program directed towards providing feed manufacturers with this type of information appears to be the most effective means of developing a potential market for this product."

Carefully conducted feeding experiments designed to demonstrate the lower grade tallow, when properly stabilized, has the same nutritional value and will give just as satisfactory results as higher grade tallow, would substantially improve the competitive position of tallow. Wilson suggested that these experiments should be carried out and supervised by competent, well organized nutritionists in each of the countries which exhibited an interest in the use of fats in feeds.

The story of the use of fats in feeds in the U.S. is a fabulous one. It all started about 10 years ago at ground zero -- in 1959 the consumption of inedible tallow and greases in mixed animal feeds totaled about a half billion pounds. "By utilizing the research work already done in the U.S.," Wilson said, "European feed manufacturers could cut the production time needed to gear to this new feed-mixing technique by many years."

SOYBEANS RANK FIRST IN JAPAN'S AGRICULTURAL IMPORTS FROM THE U.S., and second in importance to all items bought from this country. Still first in terms of volume and value is scrap iron, which is needed to help strengthen Japan's program of industrial development.

The increase in Japan's soybean consumption can be attributed to several factors, the most important of which is the marked increase in the per capita consumption of vegetable fats and oils resulting from the economic recovery of the country. The key position of U.S. soybeans is due, also to the proven acceptability and adaptability of the U.S. products to the Japanese market as a raw material for the manufacture of vegetable oil, miso, tofu, and other human food products.

Instrumental in bringing about the increasingly important role U.S. soybeans in Japan have been market development activities carried on by the American Soybean Association, through the Japanese American Soybean Institute, and research supervised by the Northern Regional Laboratory (ARS), Peoria, Illinois. These activities were financed with 104(a) funds.

U.S. exports of soybeans to Japan have nearly doubled since 1955-56, reaching more than one million tons in 1959-60. During this period, consumption in Japan has risen nearly 50 percent, with strong indications that this trend will continue.

SALES OF U.S. RICE TO SOUTH AFRICA ARE UP TO 40% of the total rice imports to that area, according to a report from Bill Edens, agricultural attache in Pretoria. Before 1958 about half of one percent of the rice imported by South Africa came from the U.S., mostly in the form of breakfast foods. At present, South Africa is producing less than a tenth of the rice she consumes. Annual consumption is about 45,000 tons.

Some of the enthusiasm for U.S. rice has been generated by Benny Wainstein, a Johannesburg grain and produce merchant who imports about half of the rice consumed in the Union. Last August and September Mr. Wainstein made a personal tour of rice-producing and processing areas in the U.S. He learned much and liked what he saw. After careful examination of about 150 samples of rice from various rice-producing countries, Mr. Wainstein stated that, in his opinion, "...rice from the United States is hard to beat."

NORTH DAKOTA STATE WHEAT COMMISSION became a contributing member of the Great Plains Wheat, Inc. on July 1. Representing leading U.S. producers of durum wheat, the commission is the 6th regional wheat group to join the far-flung operations of GPWMDA. The association is now actively promoting U.S. wheat in over 50 countries on five continents.

The association has established market development offices in Washington, D.C., Rotterdam, The Netherlands, and Lima, Peru. Additional offices are maintained in Karachi, Pakistan, Tokyo, Japan, and New Delhi, India in cooperation with the Western Wheat Association, a regional growers association in the Pacific Northwest.

The GPWMDA, which was organized in January, 1959, has headquarters in Garden City, Kansas. Clifford R. Hope, former Congressman from that State, is the Association's President.

NOTE: The Great Plains Wheat Market Development Association's executive committee recently decided to shorten the organizations name to "Great Plains Wheat, Inc." The charter will be amended soon to make the shorter version legal.

EXPORT-IMPORT BANK WILL LOAN \$40 MILLION TO JAPAN to finance purchases of U.S. cotton in the 1960-61 crop year. The new loan is \$12 million larger than last year. Similar loans have been made on an annual basis since 1948.

The over-all outlook for U.S. cotton exports continues to be bright. Exports during the first 11 months of the 1959-60 season totaled 6.5 million running bales, almost 2-1/2 times the 2.6 million bales shipped during the corresponding period of the previous year.

A GROUP OF SWISS FLOUR MILLERS CAME TO THE U.S. RECENTLY, under sponsorship of the Great Plains Wheat Market Development Association, to get better acquainted with the U.S. as a source of supply. Irwin R. Hedges, U.S. agricultural attache in Switzerland, stated that wheat importing in that country is returning to private hands after 20 years of government operations. "The time is ripe," he said, "for the U.S. to regain a substantial share of the Swiss market."

GRANT TO ITALY FOR NUTRITION STUDY OF SOYBEANS IN LOCAL FOODS. A grant of \$73,625 will finance a four-year study of the admixture of soybean protein products with wheat flour in the manufacture of such edible paste products as spaghetti and macaroni, staple foods in Italy. The study will be handled by the National Institute of Nutrition, Rome, under supervision of the foreign research and technical programs division of ARS.